

the terrible conditions that paralyzed our Government and paralyzed our own people's potential in 1992 when I took office. We have to go forward.

This is great news today. I'm very pleased by it. The American people should be pleased by it. But we should be determined to stay on the course and do what works. And that's my determination.

Tax Cut

Q. Are you ruling out a tax cut, Mr. President, with this surplus?

The President. I do not—let me just say, I want to say just exactly what I said. We don't have a surplus. We can project a surplus, but we don't have one. And we've waited 30 years for a balanced budget. Between 1981 and 1992, we projected all kinds of things and went out and spent the money on tax cuts and spending—both. We spent the money, and we quadrupled the debt, drove up interest rates, put our country in a terrible hole. We have dug ourselves out of that hole with a lot of effort and a lot of pain. In 1993, it was a very difficult dig, and a lot of people paid a very high price for it. Then we had the overwhelming bipartisan support for the balanced budget.

All I'm saying is that any policy we adopt must not—it cannot—run any risk of returning to the failed policies of the past. We got away from trickle-down economics; we're into investing and growing our future. We're doing it the old-fashioned way. I have been exhorting the American people for 5 years now to be responsible, to remember that we cannot have opportunity without responsibility. Well, that same rule applies to the Government. We have to set a good example. We have to create opportunity, and we can't do it unless we're also responsible.

So whatever policies we adopt have to be within the framework of the budget to the best of our knowledge. We cannot take risks with the future that we have worked so hard to build.

Cigarette Tax Increase

Q. Mr. President, are you going to call for cigarette tax increases to help pay for new initiatives?

The President. I will—first of all, on the tobacco issue generally—I'll have more to say about this later, but keep in mind what my first priority is. My first priority is to protect our children from the dangers of tobacco, from the illegal dangers of tobacco. And I will propose a plan that I believe is best designed to do that, that will build on the settlement agreement that was reached earlier. And I will work with Members of Congress in both parties in good faith to try to pass comprehensive tobacco legislation that I think will achieve that goal. And I'll say more about the details later.

Presidential Privacy

Q. Mr. President, there's been some controversy today about whether the press invaded your privacy in St. Thomas. Do you feel your privacy was invaded, and where should the press draw the line, sir?

The President. The answer to the first question is yes. The answer to the second question is that's why we have a first amendment; you get to decide the answer to the second question. But—

Q. You didn't like your dancing picture? Everybody liked it.

The President. Actually, I liked it quite a lot. But I didn't think I was being photographed.

Q. Was it off limits, sir?

The President. That's a question that you have to ask and answer.

NOTE: The President spoke at 1:20 p.m. in the Cabinet Room at the White House.

Remarks Announcing Proposed Legislation on Medicare

January 6, 1998

Thank you, Ruth. I think she has made clearer than I could ever hope to that, for many Americans, access to quality health care can mean the difference between a secure, healthy, and productive life, and the enormous burden of illness and worry and enormous financial strain.

Today the proposals I am making are designed to address the problems of some of our most vulnerable older Americans. I propose three new health care options that

would give them the security they deserve. The centerpiece of our plan will let many more of these Americans buy into one of our Nation's greatest achievements, Medicare.

When Medicare was first enacted, President Johnson said, and I quote, "It proved that the vitality of our democracy can shape the oldest of our values to the needs and obligations of changing times." Once again we are faced with changing times: a new economy that changes the way we work and the way we live; new technologies and medical breakthroughs holding out hope for longer, healthier lives; a new century brimming with promise but still full of challenge and much more rapid change. The values remain the same, but the new times demand that we find new ways to create opportunity for all Americans.

For the past 5 years, we have had an economic strategy designed to expand opportunity and strengthen our families in changing times, insisting on fiscal responsibility, expanding trade, investing in all our people. Yesterday I announced that the budget I will submit to Congress in 3 weeks will be a balanced budget, the first one in 30 years. Within this balanced budget, we propose to expand health care access for millions of Americans.

Last summer, with the balanced budget agreement I signed, we took action to extend the life of the Medicare Trust Fund until at least 2010, and we appointed a Medicare commission to make sure that Medicare can meet the needs of the baby boom generation. We took action to root out fraud and abuse in the Medicare system, assigning more prosecutors, shutting down fly-by-night home health care providers, taking steps to put an end to overpayments for prescription drugs. Since I took office, we have saved over \$20 billion in health care claims, money that would have been wasted, gone instead to provide quality health care for some of our most vulnerable citizens.

We want to continue to do everything possible to ensure that the same system that served our parents can also serve our children. That means bringing Medicare into the 21st century in a fiscally responsible way that recognizes the changing needs of our people in a new era.

We know that for different reasons more and more Americans are retiring or leaving the work force before they become eligible for Medicare at age 65. We know that far too many of these men and women do not have health insurance. Some of them lose their health coverage when their spouse becomes eligible for Medicare and loses his or her health insurance at work. That's the story we heard today.

Some lose their coverage when they lose their jobs because of downsizing or layoffs. Still others lose their insurance when their employers unexpectedly drop their retirement health care plans. These people have spent their lifetimes working hard, supporting their families, contributing to society. And just at the time they most need health care, they are least attractive to health insurers who demand higher premiums or deny coverage outright.

The legislation that I propose today recognizes these new conditions and takes action to expand access to health care to millions of Americans. First, for the first time, people between the ages of 62 and 65 will be able to buy into the Medicare program at a fixed premium rate that, for many, is far more affordable than private insurance but firmly based in the actual cost of insuring people in this age group and, as you just heard from what Ruth said, far, far more affordable than the out-of-pocket costs that people have to pay if they need it.

This is an entirely new way of adapting a program that has worked in the past to the needs of the future. It is a fiscally responsible plan that finances itself by charging an affordable premium up front and a small payment later to ensure that this places no new burdens on Medicare. It will provide access to health care for hundreds of thousands of Americans, and it is clearly the right thing to do.

Second, statistics show that older Americans who lose their jobs are much less likely to find new employment. And far too often, when they lose their jobs, they also lose their health insurance. Under this proposal, people between the ages of 55 and 65 who have been laid off or displaced will also be able to buy into Medicare early, protecting them

against the debilitating costs of unforeseen illness.

Third, we know that in recent years too many employers have walked away from their commitments to provide retirement health benefits to longtime, loyal employees. Under our proposal, these employees, also between the ages of 55 and 65, will be allowed to buy into their former employers' health plans until they qualify for Medicare. And thank you, Congressman, for your long fight on this issue.

Taken together, these steps will help to take our health care system into the 21st century, providing more American families with the health care they need to thrive, maintaining the fiscal responsibility that is giving more Americans the chance to live out their dreams, shaping our most enduring values to meet the needs of changing times. It is the right thing to do. And thank you, Ruth, for demonstrating that to us today.

Thank you very much.

NOTE: The President spoke at 11:40 a.m. in the Roosevelt Room at the White House. In his remarks, he referred to Ruth Kain, a heart patient who was denied full health insurance coverage after her husband's retirement at age 65; and Representative Gerald D. Kleczka of Wisconsin.

Statement on the Death of Representative Sonny Bono

January 6, 1998

Hillary and I were deeply saddened to learn this morning of the death of Representative Sonny Bono. His joyful entertainment of millions earned him celebrity, but in Washington he earned respect by being a witty and wise participant in policymaking processes that often seem ponderous to the American people. He made us laugh even as he brought his own astute perspective to the work of Congress. Hillary and I express our condolences to Representative Bono's wife and children and to his constituents and all Americans who appreciated his humor, his voice, and his devoted service to his community and Nation.

Remarks Announcing Proposed Legislation on Child Care

January 7, 1998

Thank you very much. Welcome to the White House. You know, I was listening to the Vice President and Tipper and Hillary speak, and I was looking at all these people out here, and I was thinking about all the great joys of being President. And one of the greatest joys of being President is that you get to stand up and make an announcement on which other people have done all the work. *[Laughter]*

I want to begin by thanking the Cabinet, especially Secretary Shalala who has done so much work on this. But I thank them all. I thank the Congress, not only the Women's Caucus of Republican and Democratic women in the Congress but the few errant men who are here—*[laughter]*—and those who are not here who care so passionately about this issue in the Senate and in the House.

I thank the children and families who are here and the child advocates who are here. I was looking around this room—there are some people in this room that I have been listening to on this issue for way over 20 years now. They have waited a long time for this day. *[Laughter]*

I thank the Gores. You know, they started their family conference every year in Nashville even before we began our partnership together, and it was a brilliant and unique idea, the idea of every year focusing on the American family and some aspect of challenge or opportunity and bringing people in from all over America to talk about it. There's really no precedent for it as far as I know in our public policy, and it's a remarkable contribution that they have made.

And of course, I thank my wife, who has been talking to me about all these things for more than 25 years now and is sitting there thinking that I finally got around to doing what she has been telling me to do. *[Laughter]* I was thinking it would be nice to have something new to talk about for the next 25 years. *[Laughter]* That's one of the major reasons for this event today. And even if the rest of you can't appreciate it as much as I